

November 18, 2016

Mr. Gilbert Rojas, Interim Finance Director  
City of Lemon Grove  
3232 Main Street  
Lemon Grove, CA 91945

Dear Mr. Rojas:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Lemon Grove Successor Agency (Agency) submitted an amended Recognized Obligation Payment Schedule for the period January 1, 2017 through June 30, 2017 (ROPS 16-17B) to the California Department of Finance (Finance) on September 28, 2016. Finance has completed its review of the Amended ROPS 16-17B.

Based on a sample of line items reviewed and application of the law, Finance has made the following determination:

Item No. 16 – City Loan repayment for the requested adjustment of \$50,000 is not allowed. HSC section 34191.4 (b) (3) (A) allows repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in the preceding fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the San Diego County Auditor-Controller's report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal year 2012-13 and 2015-16 are \$251,009 and zero, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 16-17 period is zero. Therefore, the requested amount of \$50,000 is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding. The Agency may be eligible for additional funding on a subsequent ROPS.

The Agency's maximum approved RPTTF distribution for the ROPS 16-17B period remains at \$1,384,275 as summarized in the Approved RPTTF Distribution table on Page 3 (See Attachment).

Please refer to the ROPS 16-17B schedule used to calculate the total RPTTF approved for distribution:

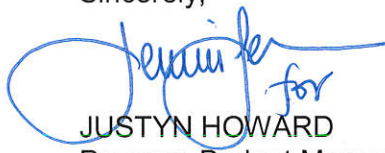
<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 16-17B. Please note there is not a Meet and Confer option for the Amended ROPS process so Finance's determination is final. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this Amended ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Kylie Oltmann, Supervisor, or Anmol Mishra, Lead Analyst, at (916) 445-1546.

Sincerely,

  
JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Lydia Romero, City Manager, City of Lemon Grove  
Mr. Jon Baker, Senior Auditor and Controller Manager, San Diego County

**Attachment**

<b>Approved RPTTF Distribution</b>	
<b>For the period of January 2017 through June 2017</b>	
Authorized RPTTF on ROPS 16-17B	\$ 1,259,275
Authorized Administrative RPTTF on ROPS 16-17B	125,000
<b>Total Authorized RPTTF on ROPS 16-17B</b>	<b>1,384,275</b>
<b>Total Requested 16-17B RPTTF Adjustments</b>	<b>50,000</b>
<b>Finance RPTTF Adjustments</b>	
Item No. 16	(50,000)
<b>Total Finance Authorized 16-17B Adjustments</b>	<b>0</b>
<b>Total Amended ROPS 16-17B RPTTF approved for distribution</b>	<b>\$ 1,384,275</b>